

Building a Long-Term Company

An Interview with
Adam I. Sandow, Chairman and Founder, SANDOW

EDITORS' NOTE SANDOW (*sandow.com*) is a media company with brands in the beauty, design, fashion, and luxury categories. Adam Sandow founded his namesake business in 2001. In 1994, Sandow started a publishing business and launched a national consumer magazine, *Honeymoon*, which he sold in 1999. Later he joined and served as principal of the Internet start-up and wedding media company *The Knot*. In 2005, he founded *NewBeauty*. Sandow launched his company's second magazine, *Luxe Interiors + Design*, later that year, which was followed by *TestTube* in 2006. In 2008, SANDOW acquired *Worth* magazine, and two years later added *Interior Design* and the *Furniture Today Group*. In 2011, acquisitions included global materials consultancy *Material ConneXion* and creative management agency *Culture + Commerce*. In 2012, SANDOW bought Los Angeles retail brand *Fred Segal*. In May 2014, Sandow brought in an equity partner, *Evolution Media Partners* to expand *Fred Segal* into a global lifestyle brand. SANDOW introduced *BeautyDNA* in summer 2014. SANDOW has offices in New York City and South Florida.



Adam I. Sandow

What was your original vision for SANDOW?

When we started the company in the early 2000s, we looked at media differently from the traditional sense. I saw way back then many of the flaws that are now coming out in the print space, so we engineered our media products very differently.

Everything about what we built on the outside looks like a traditional magazine, but it's very different on the inside, which is why we have been able to grow as much as we have organically and through acquisitions.

Is print still relevant and what is the key to being successful in print today?

Print is increasingly becoming a luxury item. For the right industries, it's not only relevant, but needed. The biggest problem we have with digital is the tremendous lack of engagement. Aside from Facebook, no other site can really get engagement beyond a few seconds. If one is trying to engage with a truly affluent audience, there needs to be a

deep level of engagement. Our beauty magazine, which has the highest female demographic of any magazine in the country today, not only has an affluent audience reading it but they will spend an average of 94 minutes with the magazine. At a website, 94 seconds would be a win.

It requires a very high level product with a high quality of content, and the right market and niche. Creating a deep level of engagement with the right demographic is always monetizable.

Will you discuss your view of effective distribution?

Our distribution strategy has been different from day one. Whereas most magazines in this country have now gotten into feeding very high circulation numbers with very low quality and very low paid subscribers, we're still big believers in the newsstand. We've always had the most expensive magazines in the country across all of our brands. We invest a lot in newsstands and we also built many nontraditional revenue streams tied to distribution – our *MediaJet* business is a great example of that. We own over 250 private newsstands in the private jet terminals. We have the wealthiest people in the world reading our magazines by the tens of thousands of copies per month. Things like that have helped us maintain a high level readership.

Do you attempt to stay within a specific space or try to reach across a broad spectrum?

Our largest pillar is design and we own a lot of businesses within that category. Beauty is a big one – it was the first category of magazine we launched. With all of our magazines, the strategy of the business has been, and continues to be, to find businesses we can build on top of our media platforms.

We launched a very successful beauty magazine in 2005, but that is a small part of our business. For example, we invented the beauty sampling business. We have made more money through the beauty membership sampling business over the past 10 years than we have in media, but the media gives us license to operate and build that business. It's that conjunction of the services and tools on

top of the media platform that have allowed us to build a successful business.

How did you get involved in Material ConneXion and what opportunities do you see for that business?

It came from our continuing strategy of building entities on top of a very strong media business. We're strong in both the residential and commercial sides of architecture and design. I would venture to say we generate more top and bottom line revenue in the design space than any other media company out there. Not only is this because we have a great model and we approach things differently, but we also have a lot of service businesses, like *Material ConneXion*. It's a business with a global footprint. We have libraries of the world's most innovative materials from all over the planet. We help some of the biggest companies in the world with the design of their products using innovative materials in fields such as automotive, aerospace, fashion, and consumer packaged goods and products, but it all comes back to our strength in design.

The material business for us is one that we continue to grow and invest in. Since we have such a strong foundation in architecture and design and brands that are more than 85 years old, this gives us license to build businesses on top of the media.

We're investing massively in internal growth with the launch of new businesses – one in particular is called *Material Bank*. This will completely change how specifiers will search, sample, and ultimately specify materials for projects from homes to buildings to commercial projects. Using the platforms we have, building that business is easier because of the media we own.

Do you classify Sandow as a media company or a service business?

We definitely have a foundation of media, but the growth for us is more so on the services side of the business, the data businesses, the subscription businesses and, in the case of materials, logistics. These are all growth platforms that we could not do without the media, so we also continue to believe in and grow it as well. Ultimately, I'm building a long-term company that I want here 30 years down the road. To do that, we have to build something that has bigger growth levers than traditional media. ●